

## **REMARKS**

In the Office Action, the Examiner rejected Claims 1-11, 13, 15, 16 and 19-23 under 35 U.S.C. 103 as being unpatentable over the prior art. Claims 1, 2, 5, 7, 8, 11, 13 and 19-23 were further rejected under 35 U.S.C. 101 as directed to non-statutory subject matter.

With respect to the rejection of the claims under 35 U.S.C. 103, Claims 1, 2, 5, 7, 8, 11, 13 and 19-23 were rejected as being unpatentable over U.S. Patent 5,351,302 (Leighton, et al.) in view of U.S. Patent 5,903,652 (Mital) and U.S. Patent application publication no. 2002/0128940 (Orrin, et al.). Claims 3, 4, 9, 10, 15 and 16 were rejected as being unpatentable over Leighton, Orrin and Mital and further in view of U.S. Patent 5,850,442 (Muftic). Claim 6 was rejected as being unpatentable over Leighton, Mital and Orrin and further in view of U.S. Patent 6,185,678 (Arbaugh, et al.).

The status of Claim 24 is not clear from the Office Action. In the Office Action Summary, Claim 24 is not discussed. In the body of the Action, on page 5, in connection with the discussion of the rejections of Claims 21 and 23, Claim 24 is referred to, but not specifically discussed. Applicants respectfully ask that the status of Claim 24 be clarified.

The rejections of the Claims under 35 U.S.C. 101 and 103 are respectfully traversed for the reasons discussed below.

The rejection of Claims 1, 2, 5, 7, 8, 11, 13 and 19-23 under 35 U.S.C. 101 is traversed because these claims are directed to statutory subject matter, and moreover, describe useful, practical results.

In rejecting the above claims under 35 U.S.C. 101, the Examiner argued that these claims are directed toward a process that is not supported by any statutory class. Processes, however, are expressly authorized by 35 U.S.C. 101 as a statutory class. Hence, the fact that

these claims are directed to a process supports the argument that they are statutory subject matter.

More specifically, Claims 1, 2, 5 and 19-23 are directed to a method for managing the transfer of financial instruments. These claims are thus processes, which expressly come with the authorization of 35 U.S.C. 101. In addition, these claims describe all the steps necessary to transfer ownership of a title for a financial instrument. This is a concrete, practical and useful result.

Claims 7, 8 and 11 are directed to a system for managing the transfer of financial instruments. 35 U.S.C. 101 expressly authorizes patents for "machines," and Claims 7, 8 and 11, as presented herewith, come within the meaning of machines as authorized by 35 U.S.C. 101. Also, analogous to the above-discussed method claims, Claims 7, 8 and 11 describe all the components of a system for transferring title of a financial instrument, and thus the system Claims 7, 8 and 11 also describe useful, practical and tangible results.

Claim 13 is directed to a program storage device embodying a program of instructions executable by a machine to perform the steps for managing the transfer of financial instruments. This claim is thus directed to a manufacture, or article of manufacture, within the meaning of 35 U.S.C. 101, and is thus statutory subject matter. In addition, Claim 13, for reasons analogous to those advanced above in connection with Claims 1, 2, 5, 7, 8, 11 and 19-23, also describes tangible, practical and concrete results.

In view of the above-discussion, the Examiner is asked to reconsider and to withdraw the rejection of Claims 1, 2, 5, 7, 8, 11, 13 and 19-23 under 35 U.S.C. 101.

Furthermore, all of Claims 1-11, 13, 15, 16 and 19-24 patentably distinguish over the prior art and are allowable. This is because Orrin, which was relied on to rejection each of

these claims under 35 U.S.C. 103, is not prior art as to the present application. This, in turn, is because the earliest possible effective date of Orrin as a possible reference is January 26, 2001, which is after the filing date, December 11, 2000, of the present application.

Specifically, the Orrin application was published on September 12, 2002. This application, accordingly to the information on the face of the application, was filed January 28, 2002 and claims the benefit of a provisional application filed on January 26, 2001. The present application was filed on December 11, 2000, though, which is before the filing date of the provisional application which Orrin Claims the benefit of, and before the filing date of the Orrin application itself.

In view of the above-facts, Orrin is not prior art as to the present application under any subsection of 35 U.S.C. 102 or 103 and cannot be relied on to reject the claims of the present application.

Since, as mentioned above, Orrin is relied on to reject all of the pending claims under 35 U.S.C. 103, the removal of Orrin as a reference eliminates the basis for the rejection of the pending claims as unpatentable over the prior art. The Examiner is thus respectfully asked to reconsider and to withdraw the rejection of Claims 1-11, 13, 15, 16 and 19-24 under 35 U.S.C. 103, and to allow those claims.

Also, Applicants wish to expressly address some of the comments made by the Examiner in the office Action.

For example, in the Office Action, the Examiner asserted that Leighton, et al. discloses, in column 2, lines 51-68, the owner appending to the title a public part of a signature scheme of another person. This portion of Leighton, et al. discusses digital signatures and public-key cryptosystems, and how a digital signature can be used to bind information to a title. There is

no teaching or suggestion in this portion of Leighton, et al, or in any other portion of this reference), however, of having the owner of the title, using his or her public signature scheme, append a message to the title, where that message includes a public part of a signature scheme of the transferee.

As Applicants have noted previously, what is important in the present invention is not simply that the owner append a public part of the signature scheme of simply some other person, but that the owner append to the message the public part of the signature scheme of a particular person – the transferee. This is not shown in Leighton, et al.

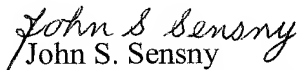
The other references of record have been reviewed, and these other references, whether considered individually or in combination ,also do not disclose or render obvious this feature of the present invention.

Further, on page 6 of the Office Action, in the discussion of the rejection of Claims 21 and 23, the Examiner asserts, without any evidentiary support, that a number of features of the invention are well known. Applicants respectfully submit that a number of features of the preferred embodiment of the invention are not known and in fact are not obvious in view of the prior art. For instance, the prior art does not disclose or render obvious the feature of a fourth party, as described in Claim 21, asking the emitter of the title, to freeze the possibility of the owner selling the title to anyone other than the fourth party for a period of time.

While a potential buyer may ask a seller to hold a product – that is, not to sell the product to anyone other than that potential buyer - this is not what is done as described in Claim 21. Instead, as described in Claim 21, the potential buyer asks the emitter of the title – not the seller – to freeze the possibility of a sale to anyone besides the potential buyer. This, the prior art does not show.

For the reasons set forth above, the Examiner is asked to reconsider and to withdraw the rejection of Claims 1, 2, 5, 7, 8, 11, 13 and 19-23 under 35 U.S.C. 101, and the rejections of Claims 1-11, 13, 15, 16 and 19-24 under 35 U.S.C. 103, and to allow Claims 1-11, 13, 15, 16 and 19-24. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is requested to telephone the undersigned.

Respectfully Submitted,

  
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